

violations of NHTSA statutes are not defined as criminal offenses. The odometer legislation does prescribe criminal penalties for knowing and willful violations of its requirements, and civil penalties for other violations.

However, NHTSA agrees with the apparent idea behind this exclusion, *i.e.*, that enforcement relief should not be extended to small entities that willfully violate the law. In fact, a violator may not be found to have exercised reasonable care when it knows that its products failed to comply with an applicable Federal motor vehicle safety standard. In the agency's opinion, a company that acts, knowing that it is violating the law, is acting willfully, as that term is used in the SBREFA.

(5) Excluding violations that pose serious health, safety or environmental threats:

As stated above, 49 U.S.C. § 30165(c) already requires NHTSA to consider the "gravity of the violation" in compromising civil penalties. The agency will continue its present policy of doing so. Excluding violations that pose serious safety threats from a mitigation policy appropriately reflects current agency practice.

(6) Requiring a good faith effort to comply with the law:

The 1996 SBREFA legislation contemplates as a matter of policy that penalties may be waived or reduced against small entities that have made a good faith effort to comply with the law. This policy, in essence, is already in effect for violations of 49 U.S.C. § 30112. If a violator can demonstrate that it had no reason to know in the exercise of reasonable care that the motor vehicle or item of equipment involved failed to conform, the violator will be held not to have violated Section 30112. 49 U.S.C. § 30112(b)(2)(A). Where there is no violation, no penalty can be imposed.

Authority: Sec. 223(a), Pub. L. 104-121.

Issued on: July 3, 1997.

Kenneth N. Weinstein,

Associate Administrator for Safety Assurance.

[FR Doc. 97-18065 Filed 7-9-97; 8:45 am]

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DEPARTMENT OF TRANSPORTATION

Research and Special Programs Administration

Underground Storage of Natural Gas or Hazardous Liquids

AGENCY: Research and Special Programs Administration (RSPA), DOT.

ACTION: Notice; issuance of advisory bulletin.

SUMMARY: RSPA is issuing an advisory bulletin to operators of gas and hazardous liquid underground storage facilities. The bulletin advises the industry about available design and operating guidelines and applicable state and RSPA regulations. Elsewhere in this issue of the **Federal Register**, RSPA concludes its proposed rule proceeding on underground gas and hazardous liquid storage facilities.

FOR FURTHER INFORMATION CONTACT: L. M. Furrow, (202) 366-4595.

SUPPLEMENTARY INFORMATION:

I. Background

On April 7, 1992, an uncontrolled release of highly volatile liquids from a salt dome storage cavern in the Seminole Pipeline System near Brenham, Texas, formed a large, heavier-than-air gas cloud that exploded. Three people died from injuries sustained either from the blast or in the fire. An additional 21 people were treated for injuries at area hospitals. Damage from the accident exceeded \$9 million.

During its investigation of this accident, the National Transportation Safety Board (NTSB) found several deficiencies in the design of Brenham station, the most important of which was the lack of a fail-safe cavern shutdown system. In addition, a comprehensive safety analysis of the station had not been conducted to identify potential points of failure and product release.

Following its accident investigation, NTSB published pipeline safety recommendation No. P-93-9 regarding underground storage. Recommendation P-93-9 asks RSPA to develop safety requirements for storage of highly volatile liquids and natural gas in underground facilities, including a requirement that all pipeline operators perform safety analyses of new and existing underground geologic storage systems to identify potential failures, determine the likelihood that each failure will occur, and assess the feasibility of reducing the risk. The recommendation also suggests that RSPA require operators to incorporate all feasible improvements.

In response to the recommendation, RSPA held a public meeting on underground storage of gas and hazardous liquids on July 20, 1994, in Houston Texas (Docket PS-137; 59 FR 30567; June 14, 1994). The purpose of the meeting was to gather information on the extent of current regulation, and

to help determine the proper action for RSPA to take regarding regulation of underground storage of gas and hazardous liquids. At the meeting, representatives of industry, state governments, and the public presented statements on safety issues, industry practices, the status of state underground storage regulations, and the need for additional federal regulations. While different views were expressed on whether RSPA should begin to regulate "down hole" pipe and underground storage, most persons spoke favorably of industry safety practices and state regulation, and did not recognize an immediate need for federal regulatory action.

After the meeting, RSPA surveyed a cross section of underground storage facilities in the U.S. to learn their existing safety systems, potential safety and environmental problems, staff expertise, and the extent of state regulation. A report¹ of the survey says that while all surveyed facilities train personnel in operating and emergency safety, operational procedures was the leading safety concern of both operators and state regulators. The report further says that about 85 percent of surveyed facilities are under some sort of state regulation. In addition, the report gives pros and cons of federal regulation and notes that additional data and site investigations would be needed to correlate increased safety with increased regulation.

Since the accident, RSPA has actively participated with the Interstate Oil and Gas Compact Commission (IOGCC) to develop standards. The IOGCC represents the governors of 36 states—29 members and seven associate states—that produce virtually all the domestic oil and natural gas in the United States. The mission of IOGCC is to promote conservation and efficient recovery of domestic oil and natural gas resources while protecting health, safety, and the environment through sound regulatory practices. Regulatory coordination and government efficiency are chief interests of IOGCC.

IOGCC formed a subcommittee composed of federal and state regulators, including representatives from the Department of Energy, the National Association of Regulatory Utility Commissioners, American Gas Association, National Gas Supply Association, and Gas Research Institute. The subcommittee developed a report entitled "Natural Gas Storage in Salt

¹ LRL Sciences, Inc., Underground Hydrocarbon Storage Facility Survey Summary, October 1996, Volume I and Volume II (Report No. DTRS-56-95-C-0001 available from National Technical Information Service, Springfield VA 22161)

Caverns—A Guide for State Regulators” (IOGCC Guide). The IOGCC Guide provides safety standards for the design, construction, and operation of gas storage caverns. The standards are useful to the industry as well as state agencies. Copies of the IOGCC Guide can be obtained from the Interstate Oil and Gas Compact Commission, 900 N.E. 23rd Street, Oklahoma City, Oklahoma 73152-3127 (phone: 405/525-3556; e-mail: iogcc@oklaosf.state.ok.us).

In addition, the American Petroleum Institute (API) has published guidelines for the underground storage of liquid hydrocarbons. RP 1114, Design of Solution-Mined Underground Storage Facilities, June 1994, provides basic guidance on the design and development of new solution-mined underground storage facilities. All aspects of solution-mined storage are covered, including selecting an appropriate site, physically developing the cavern, and testing and commissioning the cavern. Also covered are plug and abandonment practices. RP 1115, Operation of Solution-Mined Underground Storage Facilities, September 1994, provides basic guidance on the operation of solution-mined underground hydrocarbon liquid or liquefied petroleum gas storage facilities. All aspects of solution-mined underground storage operation, including cavern hydraulics, brine facilities, wellhead and hanging strings, and cavern testing are covered. Both documents are available from API, 1220 L Street NW., Washington DC 20005 (phone: 202/682-8000; e-mail: publications@api.org).

Subsequently, in view of the IOGCC guidelines, API guidelines, and state regulations, and because of the varying and diverse geology and hydrology of the many sites, RSPA has decided that generally applicable federal safety standards may not be appropriate for underground storage facilities. Moreover, consistent with the President’s policy on government regulation, before choosing a direct regulatory approach to a problem, we consider alternative solutions, such as eliciting state or local action, publishing advisories, encouraging the development and use of voluntary standards, and hosting cooperative federal/industry seminars. Therefore, RSPA, recognizing the value of underground hydrocarbon storage requirements tailored to a state’s particular circumstances, is encouraging state action and voluntary industry action as a way to assure underground storage safety instead of proposing additional federal regulations. The

following Advisory Bulletin is part of that effort.

II. Advisory Bulletin (ADB-97-04)

To: Owners and Operators of Hazardous Liquid and Natural Gas Pipelines.

Subject: Underground storage.

Purpose: Inform owners and operators of the availability of guidelines for the design and operation of underground storage facilities and advise them to follow applicable state and RSPA safety standards.

Advisory: RSPA believes the IOGCC Guide and API documents are appropriate for use by pipeline operators and by state regulatory agencies concerned about the safety of those portions of underground salt cavern storage facilities not covered by RSPA pipeline safety regulations. Through prior direct communication, RSPA has urged state agencies to use these resources in their safety programs so as to make new RSPA regulations unnecessary. And at this time, we urge operators of underground storage facilities that serve interstate gas or hazardous liquid pipelines to comply not only with the IOGCC Guide and API documents but also with the appropriate state underground storage regulations to the extent feasible.

We also remind facility operators that current RSPA safety standards for gas and hazardous liquid pipelines require operators to take preventive actions that include system safety analyses and follow-up. In particular, under 49 CFR 192.605(c)(1)(v) and 195.402(d)(1)(v), operators must identify any foreseeable malfunction of a component that may result in a hazard to persons or property and take steps to reduce the risk. Also, under §§ 192.617 and 195.402(c) (5) and (6), operators must analyze failures to learn their causes and minimize the possibility of a recurrence. We believe these standards substantially satisfy the need that NTSB recognized for a comprehensive safety analysis as it relates to piping at underground storage facilities.

(49 U.S.C. Chapter 601; 49 CFR 1.53)

Issued in Washington, DC, on July 1, 1997.

Cesar De Leon,

Deputy Associate Administrator for Pipeline Safety.

[FR Doc. 97-17722 Filed 7-9-97; 8:45 am]

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DEPARTMENT OF TRANSPORTATION

Surface Transportation Board

[STB Finance Docket No. 33421]

West Virginia State Rail Authority— Acquisition Exemption—CSX Transportation, Inc.

West Virginia State Rail Authority, a Class III rail common carrier, for and on behalf of the State of West Virginia, has filed a notice of exemption under 49 CFR 1150.41 to acquire 29.59 miles of rail line from CSX Transportation, Inc. (CSXT) from milepost BUI-0.0, at Tygart Junction, to milepost BUI-28.4, at Elkins (known as the Belington Subdivision), and from milepost BUM-0.0, at Huttonsville Junction, to milepost BUM-1.19, at Elkins Junction, in Barbour and Randolph Counties, WV. CSXT will continue to be the operator of the property.

The transaction is expected to be consummated on or about July 4, 1997.

If the notice contains false or misleading information, the exemption is void *ab initio*. Petitions to revoke the exemption under 49 U.S.C. 10502(d) may be filed at any time. The filing of a petition to revoke does not automatically stay the transaction.

An original and 10 copies of all pleadings, referring to STB Finance Docket No. 33421, must be filed with the Surface Transportation Board, Office of the Secretary, Case Control Unit, 1925 K Street, N.W., Washington, DC 20423-0001. In addition, a copy of each pleading must be served on Francis G. McKenna, Esq., Anderson & Pendleton, C.A., 1700 K Street, N.W., Suite 1107, Washington, DC 20006.

Decided: July 2, 1997.

By the Board, David M. Konschnik,
Director, Office of Proceedings.

Vernon A. Williams,
Secretary.

[FR Doc. 97-18103 Filed 7-9-97; 8:45 am]

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DEPARTMENT OF THE TREASURY

Debt Management Advisory Committee; Meeting

Notice is hereby given, pursuant to 5 U.S.C. App. § 10(a)(2), that a meeting will be held at the U.S. Treasury Department, 15th and Pennsylvania Avenue, N.W., Washington, D.C., on July 29 and 30, 1997, of the following debt management advisory committee:

Public Securities Association
Treasury Borrowing Advisory Committee

The agenda for the meeting provides for a technical background briefing by